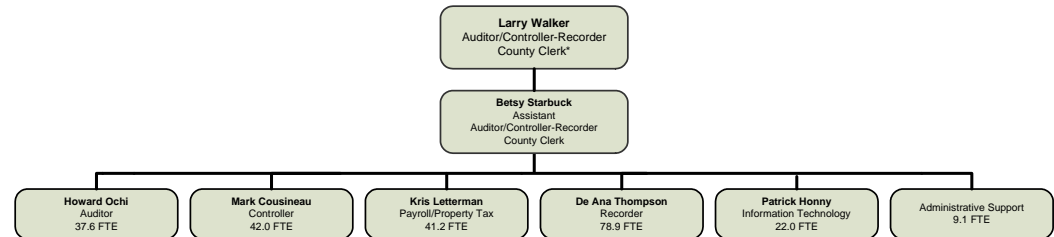


# AUDITOR/CONTROLLER-RECORDER

## ORGANIZATIONAL CHART



## DESCRIPTION OF MAJOR SERVICES

The Office of the Auditor/Controller-Recorder and County Clerk (ACR) is responsible for providing the county and its constituents with a variety of accounting services and document recording and management services. The Auditor and Controller Divisions record the collections and perform the accounting, reporting, disbursements, and audits of all county financial activities to ensure sound financial management. They are also responsible for developing and implementing accounting systems and standards, conducting operational risk assessment reviews, and administering the Countywide Cost Allocation Plan. The Payroll/Property Tax Division is responsible for payroll services, Employee Management and Compensation System (EMACS) development, and the compilation of property tax rates and revenue disbursements to taxing agencies.

The Recorder Division accepts all documents for recording that comply with applicable recording laws. The Recorder produces and maintains official records evidencing ownership and encumbrances of real and personal property and other miscellaneous records. The Recorder Division is also responsible for County Archives and County Clerk functions. County Archives maintains all the historical records for the county. The office of the County Clerk files and manages records as they relate to vital statistics, fictitious business names, and other records that are required by the state to be filed with the County Clerk.

The ACR has four special revenue funds. The Systems Development fund ensures that the Recorder's recording and storage technology is current. The new Electronic Recording fund finances the Recorder's development of e-Recording, including participation in a Joint Powers Authority (California e-Recording Transaction Network Authority) established for that purpose on a multi-county level. The Vital Records fund provides for the automation and maintenance of vital statistical records that are requested on a daily basis by customers. The Recorder Records fund was established to defray the cost of storing, restoring, and imaging legal and historical documents.

## 2007-08 SUMMARY OF BUDGET UNITS

	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<b>General Fund</b>					
Auditor/Controller-Recorder	19,357,354	6,102,260	13,255,094		216.8
Total General Fund	19,357,354	6,102,260	13,255,094		216.8
<b>Special Revenue Funds</b>					
Systems Development	20,669,115	3,600,000		17,069,115	20.0
Vital Records	495,542	150,000		345,542	-
Recorder Records	800,000	800,000		-	1.0
Electronic Recording	800,000	800,000		-	1.0
Total Special Revenue Funds	22,764,657	5,350,000		17,414,657	22.0
<b>Total - All Funds</b>	<b>42,122,011</b>	<b>11,452,260</b>	<b>13,255,094</b>	<b>17,414,657</b>	<b>238.8</b>



**Larry Walker**  
Auditor/Controller-Recorder

### Mission Statement

*The San Bernardino County Auditor/Controller-Recorder's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the county. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.*



### GOALS

**PROVIDE TIMELY AND ACCURATE FINANCIAL INFORMATION**

**EXPAND AND ENHANCE RECORDER SERVICES**

**ENHANCE ACCOUNTS PAYABLE PROCESS**

## GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

### GOAL 1: PROVIDE TIMELY AND ACCURATE FINANCIAL INFORMATION

*Objective A: Improve the Financial Accounting System (FAS).*

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
1A. Received Certificate of Achievement for Excellence in Financial Reporting.	Yes	Yes	Yes	Yes	Yes
1A. Received Outstanding Achievement in Popular Annual Financial Reporting.	No	Yes	Yes	Yes	Yes

#### Status

The first objective is to improve the Financial Accounting System by identifying, planning, and executing improvements including conducting and monitoring intermittent user satisfaction surveys. The software installation has been delayed due to system and process issues. The ACR is using this time to make process improvements and conduct training so that once the department determines the next software steps, the department will make quicker progress toward installation and user satisfaction. Once complete, the ACR will survey FAS users regarding reports, including the types of reports available as well as the data presentation to enhance user satisfaction with the new system. As the new system installation proceeds, the ACR will monitor user satisfaction with the system and provide additional training as needed. The department wants the robust accounting system to be useful to management, as well as to accountants and financial entities.

In a measurable aspect of the commitment to provide timely and accurate financial information regarding the finances of the county, the Auditor/Controller-Recorder has again received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the 19<sup>th</sup> consecutive year. An award-winning County Annual Financial Report (CAFR) promotes trust in the financial records of the county and enables better credit ratings from the agencies. In 2007, the department also received for the first time a GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR). This award recognizes the department's ability to provide understandable financial information to the public. As the Governmental Accounting Standards Board (GASB) adopts more standards and the GFOA adopts new practices to implement those standards, staff continues to be challenged to meet the standards and practices within the deadlines. Additional staff, or at least cyclical staff needs will require analysis and response to maintain an award-winning report.

### GOAL 2: EXPAND AND ENHANCE RECORDER DIVISION SERVICES

*Objective A: Maintain library of microfilm from 1980 to present in good repair.*

*Objective B: Maintain an up-to-date inventory of all microfilm.*

*Objective C: Digitize images from 1980 to current.*

*Objective D: Expand services in outlying offices.*

#### 2006-07 ACCOMPLISHMENTS

- ❖ Received GFOA Certificate of Achievement for Excellence in Financial Reporting (CAFR) for the 19<sup>th</sup> year
- ❖ Received GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR)
- ❖ Inventoried, repaired as needed, and digitized all microfilm images of the Official Records from 1980 to present
- ❖ Initiated a multi-county effort to expand electronic recording as part of a unified, potentially state-wide system
- ❖ Implemented County-wide use of eTime
- ❖ Provided FAS and Shadow training for 250 employees
- ❖ Provided accounting for the Sawtooth Fire and the January 2007 freeze
- ❖ Improved responsiveness to customer telephone calls by implementing a new telephone management system
- ❖ Scanned signature authorization forms to create a shared location to verify signatures



MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
2A. Percentage of film images that are repaired by June 30, 2007. (462,228 images to be repaired as of 2005-06)	25%	80%	90%	100%	N/A
2B. Track and maintain the number of new microfilm cassettes that are inventoried within one month of receipt by June 30, 2007. (30,011 cassettes as of 2005-06)	N/A	100%	100%	100%	N/A
2C. Convert percentage of microfilmed images from 1980 to present to a digitized format by June 30, 2007. (3,235,595 images to be converted as of 2005-06)	N/A	80%	90%	100%	N/A
2D. Provide 60% of Recorder services currently offered in the San Bernardino office to at least one satellite location.	N/A	N/A	N/A	N/A	100%

#### Status

As part of the second goal, the County Recorder is required by law to maintain images of official records on microfilm. The State Archivist has opined that the only two appropriate methods of maintaining archival records are paper and microfilm. However, utilizing microfilm for customer searches on a day-to-day basis is not practical because it is more time-consuming, and results in more wear and tear on the microfilm. For daily business purposes, digital images are far more practical for customers and staff. In 2006-07, the Recorder Division exceeded its target and repaired 416,006 or 90% of the identified film images in need of repair. In the first quarter of 2007-08 the target of 90% has been achieved and surpassed with the film repair project being 100% complete.

The ACR converts the microfilm images to digital format to ensure the safety of the county's official records while offering the most practical means for customer service. The target of converting 80% of all film images from 1980 to present to a digital format was reached in 2006-07. In the first quarter of 2007-08 the Recorder Division had already achieved and surpassed the target of 90% and completed the microfilm project by digitizing all images from 1980 to current. The costs for completing the objectives to inventory, repair, and digitize all microfilm images from 1980 to present were included in an existing contract and achieved without impact to the general fund.

For 2008-09, Objectives A-C will be eliminated as successfully accomplished. Objective D will take priority with the opening of a fourth satellite office in Chino Hills or Hesperia. In an effort to provide greater service to our customers, the ACR has responded to offers to co-locate new service locations with the City of Chino Hills and at the High Desert County Government Center. The Recorder plans to systematically offer the following services: vital records, marriage ceremonies, County Clerk services, document recording, and records research. Each location would require approximately 2,000 to 2,500 square feet of office space, including a reception area with kiosks, service counters, and space for desks, equipment, and supplies. The Recorder estimates that an office in Chino Hills would require 5.0 new positions (1 Legal Document Coordinator, 1 Legal Document Supervisor, 2 Legal Document Classifier II, and 1 Legal Document Classifier I). The estimate for an office in Hesperia includes 7.0 new positions (1 Legal Document Coordinator, 1 Legal Document Supervisor, 3 Legal Document Classifier II, and 2 Legal Document Classifier I). In 2008-09, it is the goal of the ACR to provide 60% of Recorder services currently offered in the San Bernardino office through at least one satellite office. In the event this policy item isn't approved, these services will be offered through an existing satellite office.

### GOAL 3: ENHANCE ACCOUNTS PAYABLE PROCESS

*Objective A: Expand use of electronic fund transfers (EFT) for vendor payments.*

*Objective B: Reduce the amount of time required to process county bills and payments.*

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
3A. Percentage increase in vendor participation in the EFT program. (358 vendors as of 2005-06)	10%	25%	35%	37%	40%
3B. Percentage of valid payment documents processed within ten days of presentation to executive management. (January through June 2006, 43,479 documents processed)	86%	90%	90%	90%	90%

#### Status

The third goal relates to Auditor/Controller-Recorder implemented electronic systems for payment of the county's bills. In an effort to increase vendor participation in the EFT program, Accounts Payable trained county staff and advertised the program to vendors, encouraging them to participate. The ACR presented a policy revision to the Board of

Supervisors to require new contractors to accept payment via EFT. Additionally, the ACR worked with the Purchasing Department to revise RFPs and purchase orders to reflect the policy change. The costs for achieving this goal are included in the department's budget. In 2006-07, the ACR exceeded the target of a 10% increase in vendor participation in the EFT program and achieved a 25% increase.

Also, the department achieved the measurement of processing 90% of valid payment documents within 10 days of presentation by June 30, 2007.

For 2008-09, the ACR will work toward improvements in both objectives.

### APPROVED ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)

Brief Description of Policy Item	Budgeted Staffing	Appropriation	Dept. Revenue	Local Cost
1. A joint policy item was approved with Human Resources and the Information Services Department to add 1.0 position to the Employee Management and Compensation System (EMACS) team. The department received \$68,632 in ongoing general fund financing for the position.	1.0	68,632	-	68,632

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
P1. Percentage of existing and new non-standard employee contracts and paychecks reviewed and analyzed for variances with EMACS, to ensure the appropriate adjustments are made.	N/A	90%	100%	100%	100%

#### Status

With the additional general fund financing, EMACS now reviews all non-standard employee contracts, contract amendments, terminating contracts, and paychecks to ensure accuracy and completeness. With continued funding, the department will be able to continue this standard of performance for approximately the same number of contracts. In 2006-07, EMACS achieved its goal of analyzing and reviewing 90% of the employee contracts and beginning in 2007-08 100% of all contracts will be reviewed and analyzed annually.

### 2008-09 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS), INCLUDING NEW CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS, OR BUSINESS PROCESS IMPROVEMENT (BPI) RESERVE FUNDS

Brief Description of Policy Item, CIP, or BPI reserve funds request	Budgeted Staffing	Appropriation	Dept. Revenue	Local Cost
P1. Policy Item - 1.0 additional Systems Procedure Analyst I position. (ongoing funding) County departments routinely request assistance from EMACS employees to develop and run queries from the EMACS system for a variety of needs, such as budget projections, vacancies, turnover, overtime, etc. A significant need exists to develop and provide ongoing countywide training for EMACS queries for department staff who analyze and report on staffing. Approval of this policy item would provide ongoing general fund financing for a new Systems Procedures Analyst I position dedicated to training and providing support to county analysts in the EMACS query function.	1.0	112,269	-	112,269
P2. Policy Item - 2.0 Internal Auditor II and 1.0 Internal Auditor IV positions. (ongoing funding) The Internal Audits Section requires two more Internal Auditor II positions in order to be responsive to requests from departments for financial and performance audits, cash management training, and risk assessment reviews. Additionally, the Board of Supervisors approved an ACR request to reclassify the Accounting and Auditing Series. The action created the classification of Internal Auditor IV as a non-supervisory position to do audit work of increasingly high complexity. One such position is requested.	3.0	291,823	-	291,823
P3. Policy Item - Up to 7.0 new positions to expand Recorder services in Chino Hills or at the High Desert County Government Center. (ongoing funding) To provide greater service to our customers, the ACR has responded to offers to co-locate new satellite service locations with the new City Hall in Chino Hills and at the new High Desert County Government Center. The Recorder plans to systematically offer the following services: vital records, marriage ceremonies, County Clerk services, document recording, and records research. Each location would require approximately 2,000 to 2,500 square feet of office space, including a reception area with kiosks, service counters, and space for desks, equipment, and supplies. The Recorder estimates that an office in Chino Hills would require five new positions (1 Legal Document Coordinator, 1 Legal Document Supervisor, 2 Legal Document Classifier II, and 1 Legal Document Classifier I). The estimate for an office in Hesperia includes 7 new positions (1 Legal Document Coordinator, 1 Legal Document Supervisor, 3 Legal Document Classifier II, and 2 Legal Document Classifier I). Half of the positions will be funded through ACR's General Fund, and the other positions will be funded through the Recorder's Systems Development special revenue fund. ACR expects to "go live" with one new satellite office in 2008-09 and one in 2009-10.	7.0	435,324	217,662	217,662

Brief Description of Policy Item, CIP, or BPI reserve funds request		Budgeted Staffing	Appropriation	Dept. Revenue	Local Cost
P4.	Policy Item - 1.0 Systems Accountant II and 1.0 Systems Accountant III position. (ongoing funding)	2.0	207,920	-	207,920
Management Services Section (MSS) requires one additional System Accountant II position and one System Accountant III position to respond to workload demands and deadlines. MSS transferred three positions to the FAS Implementation Team in 2006 with the intention that the project would be completed by this time. With the ongoing need for FAS support, the transferred positions need to be replaced. This policy item supports the goal to improve the Financial Accounting system.					
P5.	CIP – Outdoor marriage facility – a concrete slab with constructed gazebo with roof, electricity and seating for 6-10 people. (one-time funding)	-	100,000	-	100,000
During 2006-07, there were 12,314 marriage licenses issued and 4,265 marriage ceremonies performed by Recorder staff. Currently there are no outdoor facilities to accommodate couples and their families, and during busy days, there are not enough facilities to meet the demand. An outdoor facility will provide an attractive location for ceremonies and help alleviate the foot traffic during high volume times. This CIP will be funded through the Recorder's Systems Development special revenue fund and may be a one-time funding request.					
P6.	CIP – Replace the transformer that serves the 3 <sup>rd</sup> and 4 <sup>th</sup> floors of the Hall of Records building. (one-time funding)	-	25,000	-	25,000
The transformer that serves the 3 <sup>rd</sup> and 4 <sup>th</sup> floors has not been replaced since the building was built, and is over 20 years old. Over the last few years, the temperature and noise it generates has increased substantially. The staff and business operations that are impacted by this transformer include Central Payroll/EMACS, Auditor/Controller staff, two divisions of Human Resources, and the Department of Risk Management. The CIP will be funded through the general fund.					
P7.	CIP – Remodel Recorder Customer Service Area, Break Room, 1 <sup>st</sup> /2 <sup>nd</sup> Floor Restrooms. (one-time funding)	-	940,000	-	940,000
Recorder business operations have changed as technology has changed. Because of the ability to record electronically, the space that was originally designated for businesses for recording is no longer used for that purpose. The Auditor/Controller-Recorder would like to convert the area to its best use to add more customer service windows. Adding more customer service windows will enable staff to serve more customers and reduce wait times. The CIP is a one-time funding request and may be funded through the Recorder's Systems Development special revenue fund. Also, the restrooms are heavily used by the public, and in need of rehabilitation.					

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
P1. Develop EMACS query training for county users and provide training to a pilot group.					100%
P2. Percentage of audits started from county department requests.					40%
P3. Percentage completion of a new satellite office, fully operational, with 60% of the Recorder services that are currently provided in the San Bernardino Office, (provided that the satellite office is constructed on time).					100%
P4. Percentage of projects started from county department requests that are associated with policy or legal requirements within two months of receipt by the ACR's Management Services Section (MSS).					30%
P5. 100% fully constructed and operational by June 30, 2009, (provided all construction deadlines are met).					100%
P6. Percentage of transformers installed during 2008-09, (provided all construction deadlines are met).					100%
P7. Percentage of remodel designed and contracted in 2008-09, (provided all construction deadlines are met).					100%

## 2008-09 PROPOSED FEE ADJUSTMENTS

DESCRIPTION OF FEE REQUEST	SERVICE IMPACTS
1. In 2008-09, the department will propose increases in accounting and auditing fees to mitigate the amount of local cost funding required for existing policy programs. Modify the Fee Ordinance to change 16.023A (a), (b), (e), (f), (k)(1), (m) from \$82.00/hour to \$87.00/hour and modify 16.023A (i) from \$44.00/hour to \$48.00/hour.	If fees are not increased, the general fund will be subsidizing the cost of these services to non-general fund units.
2. Modify the Fee Ordinance to change 16.023A to add a new fee of \$1.00 per document to establish a Social Security number truncation program for Official Records, as required by AB 1168 (special revenue fund).	AB 1168 requires each County Recorder to truncate the first five digits of any social security number that is on an Official Record, and to create a separate image and index of the new record as a "Public Record." The law authorizes the Board of Supervisors to adopt a fee of \$1 per document to fund this mandate.

If there are questions about this business plan, please contact Betsy Starbuck, Assistant Auditor/Controller-Recorder, at (909) 386-8818.



